

To whom it may concern:

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Announcement Concerning Extraordinary Loss and Revision of Earnings Projections

SK-Electronics Co., Ltd. ("the Company") has booked an extraordinary loss and revised the earnings projections for the fiscal year ending September 2009 (October 1, 2008 - September 30, 2009) previously announced on February 9, 2009 in conjunction with the release of the Company's Summary Report of Consolidated Financial Statements for the First Quarter Period of Fiscal 2009. Details of the extraordinary loss and revised projections are provided below.

1. Extraordinary loss

The SK-Electronics Group began full-scale operation of the Shiga Plant, the Company's next-generation photomask plant, from March 2009, and is making shipments as needed of 10th generation photomasks, which have gotten off to a strong start. In the Company's business for existing photomasks for 8th generation and earlier LCD panels, however, unit price declines have exceeded assumptions because of growing competition both in Japan and overseas, and difficult conditions have continued. In addition, because demand for small and medium-sized photomasks has plunged sharply over the past several years, the Company conducted a review of its small and medium-sized photomask manufacturing facilities, and for the third quarter under review booked a ¥203 million loss on retirement of fixed assets. Furthermore, as a result of verifying the probability of recovery based on future received profits from assets such as its small and medium-sized photomask manufacturing facilities, the Company reduced the book value of certain manufacturing assets including manufacturing facilities for some small and medium-sized type photomask production lines, including the Company's lease assets, to the recoverable value, and reported a ¥697 million extraordinary loss for the write-downs in question as an impairment loss.

2. Revision of the full-year fiscal 2009 earnings projections (October 1, 2008 - September 30, 2009)

1. Revision to the previous consolidated earnings projection

(Unit: Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
Previous projection (A)	17,000	-1,600	-1,800	-1,540	-13,578.58
Revised projection (B)	18,500	-1,000	-1,150	-2,300	-20,284.81
Change (B-A)	1,500	600	650	-760	—
Change (%)	8.8	—	—	—	—
(Reference)					
Previous year's results (Year ended September 30, 2008)	17,161	1,046	886	417	3,677.92

2. Revision to the previous non-consolidated earnings projection

(Unit: Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
Previous projection (A)	15,500	-880	-1,000	-1,070	-9,434.47
Revised projection (B)	17,000	-750	-800	-2,100	-18,520.91
Change (B-A)	1,500	130	200	-1,030	—
Change (%)	9.7	—	—	—	—
(Reference) Previous year's results (Year ended September 30,2008)	14,063	708	735	327	2,889.97

3. Reason for the revised projections

Because conditions have made it difficult to forecast when the balance of LCD panel supply and demand will improve, or when utilization rates at panel manufacturers will recover in the second half of the year or beyond, the SK-Electronics Group revised its earnings projections and dividend projections on February 9, 2009.

Faced with such conditions, the Company sought to maintain operating results by reducing executive compensation, partially halting the production lines at the Kyoto Plant and implementing every effort to improve profitability, including the reduction of various expenses.

In the third quarter, Sharp Corporation announced that it would start operations at its 10th generation LCD panel factory in Sakai, Osaka Prefecture about six months earlier than initially planned, and begin mass production from October 2009. In 8th generation and earlier generation manufacturing lines, the LCD panel industry continues to emerge from its worst period, and utilization rates at panel manufacturers are rapidly recovering under the ongoing influence of China's "home appliances to the countryside" program.

Nevertheless, although it expects to secure a certain volume of production in the photomask industry as a result of a rapid recovery of utilization ratios at LCD panel manufacturers, the Company has revised its earnings projections for the SK-Electronics Group because prices for 10th generation photomasks will gradually shift to mass production pricing in the future and requests to lower prices for existing photomask demand for 8th generation and earlier generation manufacturing lines are expected to continue, and because the Company has booked a loss on retirement of fixed assets and an extraordinary loss for impairment losses in the third quarter.

*Note regarding forward-looking statements

Earnings projections are based on the information available at the time of this announcement. Actual earnings may differ from projections due to various possible factors.